

Message Text

UNCLASSIFIED

PAGE 01 JAKART 11021 060903Z

17

ACTION EA-07

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /015 W

----- 047165

P R 050930Z SEP 74 ZDK

FM AMEMBASSY JAKARTA

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 4274

AMEMBASSY MANILA

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 11021

USDOC FOR MEDPD

E.O. 11652: N/A

TAGS: BEXP BTIO ID BTRA (SOTION ARDJANGGI)

SUBJECT: SOTION VISITING U.S. SEEKING CEMENT PLANT

CONSTRUCTOR OF ADB FUNDED PROJECT

REF: JAKARTA 6970

1. SOTION ARDJANGGI, PRESIDENT DIRECTOR OF GOI OWNED
P.T. GRESIK CEMENT CO. (E. JAVA), WILL ARRIVE SAN
FRANCISCO SUNDAY SEPTEMBER 8 TO CHAIR TWO DAY CIBINONG
CEMENT CO. (W. JAVA) OARD DIRECTORS MEETING MONDAY
AND TUESDAY, SEPTEMBER 9-10. (RESIK IS JOINT VENTURE
PARTNER WITH KAISER AND IFC IN CIBINONG.) FOLLOWING
OAKLAND BOARD MEETING AT KAISER HEADQUARTERS, SOTION
PLANS FLY TO WASHINGTON FOR MEETINGS SEPTEMBER 12 OR 13
WITH EXIM BANK OFFICIALS TO FOLLOW-UP CONVRSACTIONS HELD
HERE THIS WEEK WITH EXIM BANK PRESIDENT CASEY RE
500,000 TON EXPANSION OF GRESIK CEMENT CO.
PLANT. WHEN FINANCING ARRANGEMENTS FOR
GRESIK EXPANSION FINALIZED IT
PROBABLE TURNER CONSTRUCTION CO, WILL BUILD NEW
GRESIK PLANT WITH MORRISON KNUDSEN ADVISING AND KENNEDY
VAN SAUN (ALL OF U.S.) HANDLONG MACHIER AND
EQUIPMENT NEEDS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 11021 060903Z

2. PURPOSE THIS CABLE IS ALSO TO ALERT MEPD TO STILL THIRD CEMENT VENTURE WHICH SOTION AND GRESIK PLANT LAUNCH AND TO SEEK MEPD ASSISTANCE IN ARRANGING CONTACTS FOR SOTION WITH POTENTIAL DESIGN CONSTRUCTORS FOR NEW VENTURE. GRESIK AND ANOTHER EXISTING GOI CEMENT COMPANY, P.T. PADANG (W. SUMATRA), WILL FORM A NEW 50/50 JOINT VENTURE COMPANY TO CONSTRUCT 500,000 TON/YR. PLANT AT BATURAJA, SOUTH SUMATRA. ASIAN DEVELOPMENT BANK EXPECTED FUND PACKAGE REDEVELOPMENT PROJECT AT BATURAJA INVOLVING CONSTRUCTION THIS CEMENT PLANT AND NEW POWER GENERATION PLANT PLUS REHABILITATION EXISTING TANJUNG ENIM COAL MINE. COAL MINE WILL SUPPLY CEMENT AND PLWR PLANTS WHICH IN TURN WILL REQUIRE NEW HIGHWAY AND PROVIDE EMPLOYMENT FOR AREA TRANSMIGRATION PROGRAM.

3. SOTION SAYS ADB FUNDING FOR BATURAJA PROJECT NOW BEING FINALIZED AND THAT HE PLANS HAVE CEMENT PLANT READY FOR BIDDING BY END THIS YEAR. THUS HE VERY ANXIOUS MAKE CONTACT WITH POTENTIAL US DESIGN CONSTRUCTORS DURING HIS VISIT TO US. IF NECESSARY HE WILL PREFINANCE ENGINEERING FOR BATURAJA PROJECT OUT OF GRESIDIK RETAINED EARNINGS IN ORDER AVOID ANY DELAYS INVOLVED IN ADB PROCESSING.

4. EMBASSY VIEWS SOTION'S REQUEST FOR ASSISTANCE IN FINDING DESIGN CONSTRUCTOR FOR BATURAJA PLANT AS UNIQUE OPPORTUNITY PROMOTE US COMMERCIAL INTERESTS IN THIS RAPIDLY EXPANDING INDUSTRY. NOT ONLY WILL US DESIGN/ CONSTRUCTION OF THIS PLANT IMPROVE PROBABILITY SUCCESSFUL US BIDDING ON EQUIPMENT SUPPLY FOR PLANT BUT WILL ALSO INCREASE LIKELIHOOD SOTION MAY SELECT US CONSTRUCTOR FOR ANOTHER FUTURE CEMENT PLANT HE NOW STUDYING FOR TIMOR ISLAND. MORE IMPORTANTLY STILL IS FACT THAT BY USING US DESIGN CONSTRUCTORS, AND HOPEFULLY US EQUIPMENT, SOTION (SHO IS CHAIRMAN INDONESIAN CEMENT MANUFACTURERS ASSOCIATION AND RAPIDLY BECOMING INDUSTRY'S STANDOUT PERFORMER) WILL DO MUCH TO PUBLICIZE US EXPERTISE IN FIELD WHERE MANY PEOPLE CURRENTLY SEEM THINK WE COMPETE UNFAVORABLY WITH GERMANS AND DANES. WITH 3-4 OTHER

UNCLASSIFIED

PAGE 03 JAKART 11021 060903Z

INDONESIAN PLANTS LIKELY TO BE COMMITTED FIN NEAR FUTURE AND 3-4 MORE BIENG STUDEIED AS POSSIBILITIES, US SALES HERE COULD BE CONSIDERABLE.

5. EMBASSY THERFORE REQUESTS THW MEPD 1) IDENTIFY THE LEADING US DESIGN CONSTRUCTORS IN CEMENT FIELD; 2) CONTACT THESE FIRMS TO DETERMINE INTEREST AND CAPABILITY UNDERTAKE BATURAJA PROJECT AT THIS TIME

(MORRISON-KNUDSEN ALREADY INDICATEDDD THEY TOO OCCUPIED WITH CIBINONG TO UNDERTAKE GRESIK EXPANSION, AND PRESUMABLY SOTION WILL DISCUSS BATURAJA PROJECT WITH TURNER WHEN HE VISITS THEM RE GRESIK EXPANSION); 3) PLEASE TELEPHONE SOTION IN SAN FRANCISCO PROVIDING HIM WITH NAMES OF INTERESTED CONSTRUCTORS, CONTACT PERSONS, ADDRESSES, AND PHONE NUMBERS (EMBASSY WOULD ALSO APPRECIATE RECEIVING THIS INFORMATION FOR FUTURE REFERENCE RE OTHER CEMENT PROJECTS). SOTION MAY BE REACHED AT SAINT FRANCIS HOTEL OR PREFERABLY KAISER CENTER, WHERE P.T. CIBINONG BOARD MEETING WILL BE TAKING PLACE.

6. SOTION PLANS LEAVE SAN FRANCISCO NIGHT SEPTEMBER 10 OR MORNINING SEPTEMBER 11. IF HE HAS NAMES OF CONSTRUCTORS BY THEN, HE WILL PLAN STOPOVER VISIT(S) ENROUTE TO WASHINGTON WITH FIRMS NOT HAVING OFFICES ON COASTS. HE MUST HOWEVER BE IN WASHINGTON FOR EXIM MEETINGS SEPTEMBER 13, AND WILL STAY AT EMBASSY ROW HOTEL OR CAN BE REACHED THROUGH CHAERUL ANWAR, INDONESIAN EMBASSY, INDUSTRIAL ATTACHE, WHO IS ARRANGING SOTION'S SCHEDULE IN WASHINGTON. SOTION WILL PROBABLY GO ON TO NEW YORK SEPTEMBER 15 TOSEE TURNER COMPANY AND DEPART U.S. SEPTEMBER 17; HOWEVER, IF GOI FINANCE MINISTER REQUESTS HIM TO DO SO, SOTION WILL WAIT FOR HIM IN WASHINGTON TO ATTEND MEETINGS THRE SEPT. 20.
NEWSOM

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JAKART11021
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740247-0757
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740973/aaaacjub.tel
Line Count: 142
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: JAKARTA 6970
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAR 2002 by maustmc>; APPROVED <28 JAN 2003 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOTION VISITING U.S. SEEKING CEMENT PLANT CONSTRUCTOR OF ADB FUNDED PROJECT
TAGS: BEXP, BTIO, BTRA, ID, (SOTION ARDJANGGI)
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005